

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION**

IN RE: § Case No. 21-90155
HLH TIMBER COMPANY LLC §
XX-XXX6820 §
154 FM 139, Joaquin, TX 75954 §
Debtor § Chapter 11 – Subch. V

**DEBTOR'S OBJECTION TO MOTION TO CONVERT SUBCHAPTER V CHAPTER 11
BANKRUPTCY PROCEEDING TO A CHAPTER 7 BANKRUPTCY CASE**

COMES NOW, HLH Timber Company, LLC, the Debtor (“Debtor”) in the above-referenced case, and filed this Objection to the Motion to Convert Subchapter V Chapter 11 Bankruptcy Proceeding to a Chapter 7 Bankruptcy Case (Docket No. 63) filed by Business First Bank (“B1 Bank”), and in support thereof, would show as follows:

Introduction

1. The Debtor does not dispute that B1 Bank has a claim for \$1,573,024.04 based on the executed promissory note dated October 7, 2019 and the Business Loan Agreement dated October 7, 2019.
2. B1 Bank’s Motion to Convert is based largely on alleged discrepancies between the schedules in this case filed on August 27, 2021 and a July 1, 2019 balance sheet received by B1 Bank and on concerns regarding the valuation of Debtor’s assets.
3. The Court has set a status conference in this matter for December 15, 2021.
4. Without waiving any rights, Debtor represents to the Court:
 - a. Debtor is in discussions with B1 Bank to attempt to find an amicable resolution to the concerns of B1 Bank.
 - b. Debtor does not oppose an expected motion from B1 Bank to request that the Court add the process of adjudication of B1 Bank’s motion to convert to the agenda for

the aforementioned status conference, including the date for any hearing on the same.

- c. Debtor intends to modify or amend its schedules and plan to address some of the concerns of B1 Bank and is conducting further investigation in connection with those intentions.
- d. Debtor intends to work with B1 Bank to provide information related to B1 Bank's concerns, including, but not limited to, access to relevant collateral for an appraisal of the same.

5. Once Debtor amends its schedules and modifies the existing plan, the complexion of this case will change and many of the concerns raised in B1 Bank's Motion will be addressed.
6. Debtor anticipates discussing these issues in greater detail at the December 15, 2021 status conference.

Objection

7. Debtor generally objects to B1 Bank's Motion to Convert.
8. Contemporaneously with the other signed documents, Debtor's representative, Heith Harper, executed the Declaration Under Penalty of Perjury for Non-Individual Debtors and maintains that all assets and liabilities listed on the petition and schedules as filed are accurate. The Declaration Under Penalty of Perjury was not uploaded with the schedules but has now been filed.
9. Debtor denies that it failed to timely file schedules.
10. Debtor denies the allegations that significant discrepancies exist between the 2019 Balance Sheet and the filed schedules or that any such discrepancies are grounds to convert this case.

11. Debtor denies any misrepresentation to this Court.
12. Debtor denies the unauthorized use of assets.
13. Debtor denies that either the 2019 Balance Sheet and/or the Purported Schedules are false.
14. Debtor further notes that the July 1, 2019 Balance Sheet was prepared more than two years before the petition date of August 20, 2021.
15. Debtor denies that the “significant discrepancies” between the 2019 Balance Sheet and the Purported schedules provide cause to convert this case.

Prayer

FOR THESE REASONS, Debtor requests that the Court deny the Motion.

Respectfully submitted,

THE LANE LAW FIRM, PLLC
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COUNSEL FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Response was served to the parties listed below and on the attached mailing matrix either via electronic notice by the court's ECF noticing system or by first-class mail on December 7, 2021:

Debtor:

HLH Timber Company LLC
154 FM 139
Joaquin, TX 75954

US Trustee:

U.S. Trustee
110 N. College Ave., Suite 300
Tyler, TX 75702

Movant:

B1 Bank
C/O Patrick L. McCune
Wiener, Weiss & Madison
A Professional Corporation
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Baton Rouge, LA 70802
pmccune@wwmlaw.com

Notice will be electronically mailed to:

John P. Dillman on behalf of Creditor Shelby County
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James W. King on behalf of Creditor Shelby Savings Bank
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Robert C. Lane on behalf of Debtor HLH Timber Company LLC
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/s/Robert C. Lane
Robert C. Lane

HLH Timber Company LLC

154 FM 139

Joaquin, TX 75954-5604

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TD Auto Finance LLC

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s/b/m/t Chase Bank USA, N.A.

c/o Robertson, Anschutz & Schneid, P.L.

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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Chase Bank (20)
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End of Label Matrix
Mailable recipients 48
Bypassed recipients 3
Total 51